

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Parcel Select Contract 36 (MC2020-68)  
Negotiated Service Agreement

Docket No. CP2020-67

PUBLIC REPRESENTATIVE COMMENTS ON  
NOTICE OF UNITED STATES POSTAL SERVICE OF  
FILING SECOND AMENDMENT TO  
PARCEL SELECT CONTRACT 36

(July 20, 2020)

I. INTRODUCTION

The Public Representative hereby provides comments pursuant to the Commission's Notice Initiating Dockets.<sup>1</sup> In that Notice, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice of filing an amendment to a Parcel Select contract.<sup>2</sup>

II. BACKGROUND

The Commission approved the original Parcel Select Contract 36 in Order 5379, dated December 23, 2019.<sup>3</sup> The Amendment modifies several sections and pricing tables of the contract. The Amendment becomes effective three days after the Commission completes its review. Notice at 1.

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<sup>1</sup> Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, July 13, 2020

<sup>2</sup> United States Postal Service Notice of Amendment to Parcel Select Contract 36, Filed Under Seal, July 10, 2020 (Notice)

<sup>3</sup> Order Adding Parcel Select Contract 36 to the Competitive Product List, December 23, 2019 (Order No. 5379).

### III. COMMENTS

*Requirements of 39 U.S.C. § 3633.* Pursuant to section 3633(a), prices for competitive products must cover each product's attributable costs, not result in subsidization of competitive products by market dominant products, and ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. The Public Representative has reviewed the original financial worksheets provided by the Postal Service in the initial Docket, documentation filed with both amendments, and previous comments submitted by interested parties – including the former Public Representative.

Based upon that review, the Public Representative concludes that the existing contract generates sufficient revenue to cover costs and satisfies the requirements of 39 U.S.C. § 3633(a). It also appears that the amended language does not affect this revenue but allows the Postal Service to recalculate prices in subsequent years due to inflation. *Attachment A at 1.* This mechanism should help maintain the contract's ability to meet the requirements of 39 U.S.C. § 3633(a) in subsequent years.

The Public Representative is also mindful that the Postal Service continues to file cost, revenue and volume data associated with the instant contract in each year's Annual Compliance Report. This will aid the Commission in ensuring that Parcel Select Contract 36 complies with the requirements of 39 U.S.C. § 3633(a) over the life of the contract.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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